

Legislation ends deceptive accounting practices and increases accountability

WASHINGTON — Today, U.S. Representatives Mike Quigley (D-IL) and Jim Renacci (R-OH) introduced bipartisan legislation to end deceptive federal accounting practices and bring much-needed transparency and accountability to billions of dollars in annual spending.

The federal budget process only requires bills to be deficit neutral over ten years, so currently, Congress can hide spending in the eleventh year and create a major deficit problem down the road. The Budget Process Improvement Act of 2011 (H.R. 3669) closes that loophole and others.

The bill is the latest piece of legislation developed through a series of bipartisan working group meetings held over the past several weeks and has broad support from both Democrats and Republicans.

“Addressing our debt crisis is impossible without an honest budget and accurate accounting of federal spending,” **said Rep. Quigley**. “This bill proves that bipartisanship is necessary and possible when those on both sides of the aisle are willing to work together to promote common sense policies and ensure a solvent federal government for future generations.”

“In the 11 months since I took office it has become abundantly clear to me that our budget process is broken and in need of serious reform,” said **Rep. Renacci**. “Our bipartisan bill will prevent the type of Washington gimmicks Ohioans have grown increasingly tired of. In doing so, it will give all Americans a clearer and more realistic picture of how and where the federal government spends their tax dollars.”

Co-sponsors of this bipartisan legislation include John Carney (D-DE), a co-founder of the bipartisan working group, as well as Reps. Larry Buschon (R-IN), Jim Himes (D-CT), Bill Owens (D-NY), Kurt Schrader (D-OR) and Daniel Webster (R-FL).

"As a former Secretary of Finance in Delaware, I was astonished when I arrived in Congress and learned about all the various tricks and gimmicks used in federal budgeting," said **Rep. Carney**

"This bipartisan legislation enacts simple but effective changes to the budget process and makes it more transparent to ensure that lawmakers and constituents have a clear understanding of the true costs of proposals and programs so that we can get our fiscal house in order."

The Budget Process Improvement Act requires the government to accurately account for all budget liabilities, establishes a performance review process to scrutinize the tax code's proliferation of tax breaks and loopholes, and moves to a biennial budget process to facilitate more responsible long-term planning at federal agencies.

Currently, public debt is projected to rise to more than twice the size of the economy by 2025 and more than three times its size by 2050. It has never risen to even 120 percent of GDP in the modern history of the United States.

Provisions will reform deceptive accounting practices that hide 'off-budget' spending and establish the first effective oversight of tax expenditures, tax breaks that resulted in \$1.2 trillion in unaccountable spending in 2009. Those highlights and others include:

- Requires CBO and JCT to analyze the second decade budget impact for any bill that they score for Congress.
- Requires OMB to issue an annual report examining our unbudgeted fiscal exposures (such as Fannie and Freddie).
- Requires Treasury, in consultation with OMB and the policy-relevant federal agency, to issue performance reviews of each tax expenditure at least once every four years.
- Implements a GAO recommendation that an accrual accounting system be developed to apply to certain areas of the budget including retirement benefits and environmental liabilities.
- Requires CBO, in consultation with JCT, to issue a report projecting revenues over the

next decade.

- Establishes a biennial budgeting process.

For a complete section-by-section summary of the bill, [click here](#) .

Rep. Quigley is currently serving his second term in the U.S. House of Representatives, where he sits on the House Committees on the Judiciary and Oversight and Government Reform. He is also the Ranking Member for the Subcommittee on TARP, Financial Services, and Bailouts of Public and Private Programs. A co-founder of the bipartisan [Transparency Caucus](#) , he has introduced a landmark

[transparency bill](#)

that would bring unprecedented access and accountability to government.

Rep. Renacci is serving his first term in the U.S. House of Representatives, where he is a member of the Financial Services Committee. Prior to his election he worked as a Certified Public Accountant in the health care industry, and owned and operated over 60 other businesses in the automotive and sports management fields.

Rep. Carney represents the state of Delaware in the U.S. House of Representatives, where he serves on the Financial Services Committee. He was previously elected to two terms as Lieutenant Governor of Delaware from 2001-2009 and served as Delaware's Secretary of Finance during the Carper Administration from 1997-2000.

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